

1 UNITED STATES DISTRICT COURT
2 DISTRICT OF NEVADA
3 BEFORE THE HONORABLE LARRY R. HICKS, DISTRICT JUDGE

4 ORACLE USA, INC., a Colorado :
5 corporation; ORACLE AMERICA, :
6 INC., a Delaware corporation; :
7 and ORACLE INTERNATIONAL : No. 2:10-cv-0106-LRH-PAL
8 CORPORATION, a California :
9 corporation, :
10 Plaintiffs, :
11 vs. :
12 RIMINI STREET, INC., a Nevada :
13 corporation; and SETH RAVIN, :
14 an individual, :
15 Defendants. :
16

17 TRANSCRIPT OF JURY TRIAL - DAY 1
18 (Pages 1 through 39)

19 September 14, 2015

20 Las Vegas, Nevada

21
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1 Oracle's lawyer, "The price was no -- no --
2 no effect whatsoever?"

3 His answer, "No."

4 "Question: So if it had been the same
5 price, you still would have contracted with
6 Rimini?"

7 His answer: "That's what I would have
8 recommended."

9 "As you sit here today, does Birdville have
10 any plans to go back to Oracle support?

11 "I wouldn't recommend it.

12 "And why not?

13 "Because of the support we get from Rimini."

14 Customer churn. This may be the most
15 inconvenient fact for Oracle in this case. Five percent of
16 their customers leave every year. It's called churn.
17 Every year five percent of these customers leave for one of
18 these options.

19 Only about 12 percent end up going with Rimini.

20 You'll have to ask the question to yourselves in this case,
21 where are the others going? How can Oracle prove that

22 Rimini Street would have gone back to Oracle rather than to
23 deal with what these 88 percent of these other folks did?

24 The evidence will be this, our customers were on
25 their way out of the door. We just gave them a place to

1 A. Well, again, the understanding of the license
2 agreements from working with these agreements -- and, by
3 the way, at PeopleSoft I also had one other title that I
4 had left out, which was I was overseeing -- I was
5 vice-president of extended enterprise licensing. I know a
6 big mouthful of terms.

7 What it meant was that I helped renegotiate
8 license agreements for -- what was responsible for huge
9 numbers of customers starting in 1999.

10 Q. So how did that information inform you as to the
11 priority of starting this new business?

12 A. Yes, I had every belief that everything that we were
13 doing from the business itself, to the way that we were
14 structuring operations, to the way that we were using
15 software, because everyone, again, was a fully-licensed
16 customer, I felt that there was -- everything we were doing
17 was completely within the license agreements.

18 Q. Did you have an understanding as to how the industry
19 handled maintenance by third parties?

20 A. Yes.

21 Q. And how did that, if at all, inform you about the
22 propriety of this new business?

23 A. Well, again, coming back to the license agreements,
24 third parties had the rights, from all my experience, and
25 actually telling customers this for years in my role at

1 PeopleSoft, that customers can stand in the shoes of the
2 licensee to do the things that they're licensed to do;
3 nothing more, but within the license agreement.

4 Q. While you were at PeopleSoft, are you personally
5 aware of any instance where PeopleSoft objected to a third
6 party providing maintenance?

7 A. No. I often -- I often worked with customers on
8 third parties who were hosted, managed service, outsourced.
9 I worked with these licenses on a regular basis and never,
10 ever interfered with any of that.

11 Q. This again is a slide from the Brazoria license
12 agreement that we talked about earlier, and this is 14.2
13 that we discussed.

14 Is this the provision that you were talking
15 about that you felt gave you the right to provide
16 third-party maintenance as Rimini Street?

17 A. Yes. This one, and in the course, you know, these
18 things get negotiated a little bit, but they all
19 essentially had the same component. Third parties are
20 allowed to be hired and can work on product.

21 Q. Let's talk about that. I think you testified about
22 this yesterday, that some terms of these contracts are
23 negotiated, some terms change from contract to contract.
24 Do you remember that?

25 A. Yes.

1 You'd been open for business for about a week,
2 and you receive this letter. What was your response -- how
3 did you -- how did you react to this letter?

4 A. First, I was surprised. We hadn't even started the
5 business yet so I was surprised to see a letter.

6 Two, you know, disappointed that we were
7 starting to battle before we even had a chance to get our
8 service up and running.

9 Q. Let's talk about specifically what this letter says,
10 and we'll move on as quickly as we can, but let's read that
11 first sentence. I'll read it for you.

12 "I write on behalf of Siebel Systems concerning
13 various statements that you or your company, Rimini Street,
14 have recently made regarding Rimini Street's purported
15 ability to offer maintenance and support services to Siebel
16 Street [sic] customers."

17 Do you see that?

18 A. Yes.

19 Q. Mr. Ravin, why is it that you believed that you
20 could actually provide maintenance service to these
21 customers?

22 A. Well, again, based on my understanding of the years
23 in the industry and having worked with software, enterprise
24 software licenses for so many years, I was sure knowing
25 that Siebel has third-party companies that do provide and

1 offer service for Siebel products.

2 Siebel offered training to independent
3 consultants to get certified and to attend and learn how to
4 service these systems so that they could go out and work
5 for customers, and we are just an independent provider of
6 service, so I saw no reason we would be different.

7 Q. Let's talk about the next sentence. It says,

8 "As discussed herein, Siebel Systems believes
9 that various statements made by Rimini Street are false
10 and/or misleading, and we hereby demand that Rimini Street
11 immediately cease its wrongful activities."

12 At the date of this letter, Mr. Ravin, which is
13 September 26th, 2005, did Rimini Street have any clients?

14 A. No. We had literally just announced the company.

15 Q. Had Rimini Street engaged in any business operations
16 at all?

17 A. No.

18 Q. What, if anything, did you do in response to this
19 letter?

20 A. Well, first thing was we responded back to Siebel
21 legal -- which again became Oracle legal eventually with
22 the acquisition -- the Siebel legal department.

23 And I responded and said, "Hey, if you think I'm
24 doing something wrong on the license, let's talk about it,
25 and can you send me a copy of your license so that we can

1 customers leave Oracle?

2 A. It does seem to be reasons that customers may leave.

3 Q. All right. Let's go over to the slide 9 if we
4 could, please, Ms. Ransom. And this document, I apologize,
5 it's entitled JDE Support Revenue Cancellation Analysis.

6 Let's get a little framework here. This looks
7 like it's a global document; right?

8 A. I don't -- you mean global because it has the --

9 Q. APACENEA, Japan, LAD and NA?

10 A. So it includes global customers, yes.

11 Q. I want to look at that column that says NA. That's
12 North America; correct?

13 A. That is correct.

14 Q. All right. So this is an analysis of a
15 cancellations for fiscal year '08; correct?

16 A. That is correct.

17 Q. All right. And if we go down through there, and I
18 won't take a lot of time to do it, it's got licenses no
19 longer used, 17.19 percent. Move to support competitor,
20 12.38 percent, move to software competitor, 5.38 percent.
21 Do you see that?

22 A. I do.

23 Q. And then bankruptcy is down there at, what, 2.69
24 percent. Correct?

25 A. Yes, it is.

1 Q. Bankruptcy, 1 percent; correct?

2 A. Correct.

3 Q. Cost of service, 9 percent -- excuse me, 7 percent?

4 A. Yes.

5 Q. Move to support competitor, 9 percent; correct?

6 A. Yes.

7 Q. Move to software competitor, 14 percent; correct?

8 A. Yes.

9 Q. Lost funding, 16 percent; correct?

10 A. Yes.

11 Q. Do you have an understanding of what the term lost
12 funding means?

13 A. I have an educated guess.

14 Q. Well, we don't do educated guesses?

15 A. Okay. Then no.

16 Q. If you don't know, that's fine.

17 A. No.

18 Q. Okay. Great.

19 At the end of the day, each customer that leaves
20 Oracle leaves for a different reason; correct?

21 A. Yes.

22 Q. And you'd have to analyze each customer to know why
23 each one left; correct?

24 A. I haven't, but -- and I don't know if anyone has.

25 Q. But based upon your years of experience, you'd agree